

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
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Salem, Oregon 97302

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IN ACCOUNT WITH  
**STEPTOE & JOHNSON LLP**

October 17, 2008

## INVOICE

Our Matter No. 017026.00002  
CAROLINA 7

Invoice No. 2275167

### For Professional Services Rendered August 18, 2008 Through September 30, 2008:

#### Fees:

Attorney/Paralegal	Hours	Rate	Value
F. Agusti	6.90	610.00	4,209.00
G.R. Yates	42.90	500.00	21,450.00
P.L. Bednar	11.50	395.00	4,542.50
<b>Total Fees:</b>			<b>\$30,201.50</b>

#### Expenses:

Duplicating	<u>0.20</u>
<b>Total Expenses:</b>	<b><u>\$0.20</u></b>
<b>Allocation from "Bankruptcy General":</b>	<b><u>\$9,820.30</u></b>
<b>Total Due for this Period:</b>	<b><u>\$40,022.00</u></b>
<b>Previous Balance:</b>	<b><u>\$0.00</u></b>
<b>Total Amount Due:</b>	<b><u>\$40,022.00</u></b>

\*Allocation is determined as 1/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.

Tax I.D. Number 52-1349790

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October 17, 2008

**INVOICE**

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CAROLINA 7

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**Fees:**

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F. Agusti	6.90	610.00	4,209.00
G.R. Yates	42.90	500.00	21,450.00
P.L. Bednar	11.50	395.00	4,542.50
<b>Total Fees:</b>			<b>\$30,201.50</b>

**Expenses:**

Duplicating	<u>0.20</u>
<b>Total Expenses:</b>	<b><u>\$0.20</u></b>
<b>Total Due for this Period:</b>	<b><u>\$30,201.70</u></b>

Tax I.D. Number 52-1349790

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IN ACCOUNT WITH  
**STEPTOE & JOHNSON LLP**

October 17, 2008

**REMITTANCE**

Our Matter No. 017026.00002  
CAROLINA 7

Invoice No. 2275167

**For Professional Services Rendered August 18, 2008 Through September 30, 2008:**

<b>Total Fees:</b>	<b>\$30,201.50</b>
<b>Total Expenses:</b>	<b><u>\$0.20</u></b>
<b>Total Due for this Period:</b>	<b><u>\$30,201.70</u></b>

**INVOICE IS DUE AND PAYABLE UPON RECEIPT**

**PLEASE RETURN THIS COPY WITH YOUR REMITTANCE**

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Please send remittance to:	Steptoe & Johnson LLP Accounting Department 1330 Connecticut Avenue, NW Washington, D.C. 20036-1795	Wiring Instructions: Bank: Wachovia Bank of Washington, D.C. ABA#: 054001220 Beneficiary's Account #: 2000033223276 Swift Code -- PNBP US 33 Beneficiary's Name: Steptoe & Johnson LLP
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Tax I.D. Number 52-1349790

**SUNWEST MANAGEMENT, INC.**  
**CAROLINA 7**  
**SEPTEMBER 2008**

<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
08/18/08	P.L. Bednar	0.30	Teleconference with Tim Dozois (Davis Wright), James Estes (Sunwest), and Sarah Bruck (Sunwest) regarding strategy.
08/18/08	P.L. Bednar	0.20	Correspondence with Jonathan Kim (Pachulski) regarding status of CBRE broker application for bankruptcy court.
08/18/08	P.L. Bednar	0.20	Make edits to CBRE listing agreement for Carolina 7 properties.
08/18/08	P.L. Bednar	0.20	Review deeds of trust for Carolina 7 properties to be attached as exhibit to listing agreement.
08/18/08	P.L. Bednar	0.10	Confer with Sarah Bruck (Sunwest) regarding deeds of trust for Carolina 7 properties.
08/18/08	P.L. Bednar	0.10	Correspondence with Mary Christian (CBRE) regarding CBRE listing agreement.
08/18/08	P.L. Bednar	0.10	Correspondence with Mary Christian (CBRE) regarding information needed for bankruptcy court application to approve CBRE as broker for sale of Carolina 7 properties.
08/25/08	P.L. Bednar	0.50	Review draft application to employ CBRE as sales broker, and correspond with Jonathan Kim (Pachulski) regarding same.
08/26/08	P.L. Bednar	0.10	Correspondence with Shawn Quinlivan (Pachulski) regarding South Carolina complaint concerning South Carolina properties from Carolina 7 pool, and review complaint.
08/26/08	P.L. Bednar	0.10	Review draft Deines declaration to accompany CBRE broker application pleading.
08/26/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) regarding disclosure of potential conflicts on CBRE declaration supporting broker application pleading.
08/27/08	P.L. Bednar	0.20	Telephone conversation with Jonathan Kim (Pachulski) regarding Deines declaration.
08/27/08	P.L. Bednar	0.20	Confer with Mike Deines (Sunwest) regarding application to employ CBRE and accompanying declaration.

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275167  
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Date	Name	Hour	Description
08/27/08	P.L. Bednar	0.20	Make edits to Deines declaration for CBRE application.
08/27/08	P.L. Bednar	0.20	Correspondence with Jonathan Kim (Pachulski) regarding Deines declaration.
08/28/08	P.L. Bednar	0.20	Confer with Mike Deines (Sunwest) regarding change to Mary Christian declaration to accompany application to employ CBRE as sales broker.
08/28/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim regarding change to Mary Christian declaration to accompany application to employ CBRE as sales broker.
08/29/08	P.L. Bednar	0.10	Correspondence with Pamela Singer (Pachulski) and Jonathan Kim (Pachulski) regarding schedules & statements & SOFAs proposed extension.
08/29/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) regarding CBRE application.
08/29/08	P.L. Bednar	0.30	Review final CBRE application and accompanying declarations and exhibits.
09/01/08	P.L. Bednar	0.10	Review Carolina 7 loan document for joint and several liability language.
09/01/08	P.L. Bednar	0.50	Review draft schedules for Carolina 7 debtors (.4); correspondence with Pachulski team and Paul Rundell (A&M) regarding proposed edits to schedules (.1).
09/02/08	P.L. Bednar	0.20	Correspondence with Michael Deines (Sunwest) regarding preparations for bankruptcy court hearing on CBRE application.
09/03/08	F. Agusti	1.00	Confer with counsel for TICs to avoid filing of adversary proceeding (.5); review and edit stipulation with tenants in common to avoid filing of adversary (.5).
09/04/08	P.L. Bednar	0.50	Teleconference with Scotta McFarland (Pachulski), Pamela Singer (Pachulski), and Paul Rundell (A&M) regarding status of Carolina 7 debtors' schedules.
09/04/08	F. Agusti	0.80	Call Mr. Burke to determine if he will execute the requested stipulation (.3); give instructions to proceed with filing of complaint (.5).
09/08/08	G.R. Yates	2.00	Work on Asset Purchase Agreement (1.5); discuss various related issues with Mr. Harman (.2); discuss with Mr. Roger of GE (.3).

Date	Name	Hour	Description
09/09/08	P.L. Bednar	0.60	Draft proposed response to email question regarding Carolina 7 foreclosure sale (.2); review draft response to Carolina 7 investors steering committee (.2); review Carolina 7 debt assumption and indemnity agreement (.2).
09/09/08	G.R. Yates	3.50	Work on Purchase and Sale Agreement.
09/09/08	G.R. Yates	1.00	Work on Bridge Loan issues.
09/09/08	P.L. Bednar	0.20	Correspondence with Pam Singer (Pachulski) regarding notice categories for sale motion.
09/09/08	G.R. Yates	4.80	Draft Purchase and Sale Agreement for stalking horse bidder (4.2); discuss issues with Mr. Rogers (.6).
09/10/08	G.R. Yates	3.50	Finalize P&S Agreement (1.5); long conference call with stalking horse counsel to discuss deal structure (.7); call to Mr. Rogers to discuss status of discussion with stalking horse (.2); review and revise sale procedures order (1.1).
09/11/08	P.L. Bednar	0.20	Confer with Wally Gutzler (Sunwest) regarding email acceptance of service for sale motion (.1); correspondence with Pamela Singer (Pachulski) regarding email acceptance of service for sale motion (.1).
09/11/08	G.R. Yates	2.80	Review procedures motion (1.9); discuss timing issues with Mr. Rogers (.2); long call with licensing expert and Mr. Rogers to discuss licensing procedures (.6); short call with buyer's counsel (.1).
09/12/08	P.L. Bednar	0.20	Confer with Brett Salmon (Sunwest) regarding effect of property sale on facility licensing.
09/12/08	G.R. Yates	4.50	Long call with stalking horse counsel (2.8); call with GE counsel to discuss issues and break up fee (1.1); call with debtor's counsel to review and discuss procedures order (.6).
09/12/08	P.L. Bednar	0.30	Make edits to declaration for sales procedure motion (.2); correspondence with Jonathan Kim (Pachulski) regarding sales procedure declaration (.1).
09/12/08	P.L. Bednar	0.10	Confer with Shain Pearse (Sunwest) regarding amount owed to GE and status of master leases.

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October 17, 2008

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Date	Name	Hour	Description
09/14/08	P.L. Bednar	0.40	Review Carolina 7 contribution agreement (.3); correspondence with Scotta McFarland (Pachulski) regarding contribution rights by paying entity against nonpaying entities (.1).
09/15/08	G.R. Yates	1.80	Long conference call with Purchaser's counsel and James Estes to discuss draft Purchase Agreement and various structural issues.
09/16/08	P.L. Bednar	0.10	Confer with Michael Deines (Sunwest) regarding draft declaration for property sale motion.
09/16/08	F. Agusti	0.50	Confer with Mr. Estes re affidavit for Carolina 7 (.3); confer with Mr. Rothschild re affidavit for Carolina 7 (.2).
09/18/08	P.L. Bednar	0.40	Begin reviewing draft statements and schedules.
09/18/08	G.R. Yates	1.50	Long conference call with Purchaser's bankruptcy counsel to discuss draft Purchase Agreement and various bankruptcy issues.
09/18/08	F. Agusti	0.20	Respond to questions about plans for 341 hearing.
09/19/08	P.L. Bednar	1.20	Continue reviewing draft statements and schedules (.7); meet with Curtis Brody (Sunwest), Barbara Jones (Sunwest), and Paul Rundell (A&M) to review draft statements and schedules (.5).
09/19/08	G.R. Yates	1.80	Review mark up of Carolina 7 Purchase Agreement (1.2); long conference call with Randy Rogers, Scotta McFarland and Paul Rundell to discuss issues (.6).
09/20/08	G.R. Yates	3.80	Review and revise Purchaser's mark up of Carolina 7 Purchase Agreement (1.8); draft a response to Purchaser's revision to Purchase Agreement (2.0).
09/22/08	G.R. Yates	4.80	Conference call with GE counsel to discuss Purchase and Sale Agreement and Procedures Order (1.5); revise mark up of comments to purchaser's revision of term sheet (2.6); discuss due diligence issues with Mr. Estes (.7).

SUNWEST MANAGEMENT, INC.  
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Date	Name	Hour	Description
09/23/08	P.L. Bednar	0.90	Correspondence with Scotta McFarland (Pachulski) regarding lien notice (.1); confer with Sarah Bruck (Sunwest) regarding lien notice (.2); confer with Barbara Jones (Sunwest) regarding lien notice (.1); confer with Francis Curtis (Sunwest) regarding lien notice (.2); correspondence with Scotta McFarland (Pachulski) regarding lien notice (.1); correspondence with Curtis Brody (Sunwest) regarding filing of tax returns (.1); telephone conversation with Joe Trostel (NC Department of Revenue) regarding tax return filings (.1).
09/24/08	P.L. Bednar	0.40	Correspondence with Jonathan Kim (Pachulski) regarding lien claim on Carolina 7 facility (.1); confer with Kristy Petersen (Sunwest) regarding list of potential mechanic's lien claimants (.1); confer with Sarah Bruck (Sunwest) regarding results of supplemental title search (.1); confer with James Estes (Sunwest) regarding results of supplemental title search (.1).
09/24/08	P.L. Bednar	0.50	Review Carolina 7 TIC schedule (.2); confer with Sarah Bruck (Sunwest) regarding TIC ownership percentages (.2); correspondence with Jim Hunter (Pachulski) regarding Carolina 7 TIC ownership percentages (.1).
09/25/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) regarding additions to sale motion notice list.
09/25/08	G.R. Yates	1.30	Revise Asset Purchase Agreement into generic form.
09/25/08	F. Agusti	1.00	Confer with Messrs. Brody, Rundell, and Guy re preparation for meeting with the UST in anticipation for the 341 hearing (.2); conference with Mr. Guy to prepare for the VTA discussion with the UST (.2); review SOFAs with Mr. Brody to prepare him for the meeting (.2); represent client at meeting with UST representatives to give them overview of restructuring plan, confer about VTA and A&M retention issues associated with the same, answer UST questions re same (.2); leave messages with Messrs. Harder and Fisher re discussion with UST (.2).
09/25/08	F. Agusti	0.50	Review McMullen \$500k issue in Briarwood and help Messrs. Rundell and Brody re same.

<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
09/26/08	P.L. Bednar	0.10	Correspondence with Fil Agusti regarding private offering memorandum.
09/26/08	G.R. Yates	3.30	Review and revise Asset Purchase Agreement for general form (2.1); conference call with SWI, A&M, GE and CBRE regarding Carolina 7 bidders (1.2).
09/26/08	F. Agusti	0.30	Give instructions re Wells Fargo information request.
09/26/08	F. Agusti	0.30	Give instructions re resident refunds.
09/26/08	F. Agusti	0.50	Final preparation of witness for hearing (.3); represent client at 341 hearing (.2).
09/26/08	P.L. Bednar	0.10	Telephone call with Greg Yates regarding Carolina 7 purchase and sale agreement.
09/29/08	P.L. Bednar	0.10	Correspondence with Paul Rundell (A&M) regarding information requested by U.S. Trustee.
09/30/08	G.R. Yates	2.50	Review Five Star term sheet (2.0); make revisions in Asset Purchase Agreement to conform with term sheet (.1); draft transmittal e-mail to purchaser (.1); discuss issues on Motion, Procedures Order and Sale Order with Ms. Newmark (.3).
09/30/08	F. Agusti	1.80	Review and comment upon draft Brody affidavit (.5); review an edit 363 (h) motion (.5); review responses to Mr. Goldbergs' questions from the 341 hearing and give instructions for preparation of the submission (.5); participate in conference call with US Trustee re formation of TIC committee in Carolina 7 (.3).
09/30/08	P.L. Bednar	0.70	Confer with James Estes (Sunwest) regarding sellers of Carolina 7 properties (.1); review Carolina 7 sale documents to determine identity of sellers of Carolina 7 properties (.1); draft response to U.S. Trustee questions and requests from 341 meeting of creditors (.5).

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IN ACCOUNT WITH  
**STEPTOE & JOHNSON LLP**

October 17, 2008

**INVOICE**

Our Matter No. 017026.00004  
NASHVILLE SENIOR

Invoice No. 2275214

**For Professional Services Rendered August 20, 2008 Through September 30, 2008:**

**Fees:**

<b>Total Fees:</b>	<b>\$0.00</b>
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**Expenses:**

<b>Total Expenses:</b>	<b><u>\$0.00</u></b>
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<b>Allocation from "Bankruptcy General":</b>	<b><u>\$1,402.90</u></b>
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<b>Total Due for this Period:</b>	<b><u>\$1,402.90</u></b>
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<b>Previous Balance:</b>	<b><u>\$0.00</u></b>
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<b>Total Amount Due:</b>	<b><u>\$1,402.90</u></b>
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\*Allocation is determined as 1/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.

Tax I.D. Number 52-1349790

**SUNWEST MANAGEMENT, INC.**  
**BANKRUPTCY GENERAL**  
**SEPTEMBER 2008**

<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
08/28/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) and Pamela Singer (Pachulski) regarding resident refund motion.
08/28/08	P.L. Bednar	0.30	Review draft motion to extend time to file statements & schedules and SOFAs.
08/28/08	P.L. Bednar	0.20	Confer with Steve Stradley (Sunwest) regarding insurance premium finance contract negotiations.
08/28/08	P.L. Bednar	0.30	Teleconference with Steve Stradley (Sunwest), Jonathan Kim (Pachulski), and Tori Newmark (Pachulski) regarding insurance premium finance contract negotiations.
08/28/08	P.L. Bednar	0.10	Correspondence with Chris Cronk (Waller) and Shawn Quinlivan (Pachulski) regarding information needed to provide to client so it comply with administrative procedures order.
08/28/08	P.L. Bednar	0.30	Confer with Brett Salmon (Sunwest) regarding administrative procedures order and information to be kept at facilities to comply with order.
08/28/08	P.L. Bednar	0.20	Review materials to be provided to Brett Salmon (Pachulski) regarding administrative procedures order.
08/29/08	P.L. Bednar	0.30	Review draft resident refunds motion and accompanying proposed order.
08/29/08	P.L. Bednar	0.30	Review draft interim compensation motion.
08/29/08	P.L. Bednar	0.40	Review draft insurance premium finance contract motion and accompanying declaration.
08/29/08	P.L. Bednar	0.10	Telephone conversation with Greg Yates regarding September TIC payments.
08/29/08	P.L. Bednar	0.10	Correspondence with Pam Mattson (Sunwest) regarding September TIC payments.
08/29/08	P.L. Bednar	0.10	Correspondence with Shain Pearse (Sunwest) regarding September TIC payments.
08/29/08	P.L. Bednar	0.20	Review draft omnibus Brody declaration in support of utilities motion, resident refunds motion, schedules/statements extension motion, and interim compensation procedures motion.

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275214  
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Date	Name	Hour	Description
08/29/08	P.L. Bednar	0.30	Review draft motion to avoid appointment of patient care ombudsman.
08/29/08	P.L. Bednar	0.10	Telephone conversation with Sarah Bruck (Sunwest) regarding client approval of ombudsman motion.
08/29/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) and Bobby Guy (Waller) regarding client approval of ombudsman motion.
08/29/08	P.L. Bednar	0.10	Telephone conversation with Sarah Bruck (Sunwest) regarding approval of Brody omnibus declaration.
08/29/08	P.L. Bednar	0.20	Review draft motion for expedited hearing.
08/31/08	P.L. Bednar	0.20	Correspondence with Curtis Brody (Sunwest) regarding preparations for, and dates of, upcoming bankruptcy court hearings.
09/02/08	P.L. Bednar	0.40	Correspondence with Fil Agusti regarding declarant for ombudsman motion (.1); review Timmons declaration for ombudsman motion (.3).
09/02/08	P.L. Bednar	2.40	Draft prep outline for September 8 bankruptcy hearing (1.6); correspondence with Fil Agusti regarding prep outline for Sept. 8 hearing (.1); correspondence with Bobby Guy (Waller) and Eric Schultenover (Waller) regarding questions on items filed on bankruptcy docket (.2); participate in daily attorney conference call with Fil Agusti, Greg Yates, Ira Kharasch (Pachulski), Jim Stang (Pachulski), Sam Maizel (Pachulski), Bobby Guy (Waller), and Ray Streinz (McEwen Gisvold) (.4) telephone conversation with Paul Rundell (A&M) regarding proposed claims agent (.1).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275214  
Matter No. 017026.00004

<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
09/02/08	P.L. Bednar	2.20	Telephone conversation with Curtis Brody (Sunwest) regarding insurance premium financing update (.4); telephone conversation with Jonathan Kim (Pachulski) regarding insurance premium financing (.2); teleconference with Jonathan Kim (Pachulski) and Tori Newmark (Pachulski) regarding insurance premium financing (.3); teleconference with Jonathan Kim (Pachulski), Tori Newmark (Pachulski), and Steve Stradley (Sunwest) regarding insurance premium financing (.7); correspondence with Steve Stradley (Sunwest) regarding status of negotiations with AICCO and preparations for upcoming bankruptcy court hearing on insurance premium financing motion (.1); review spreadsheet provided by Curtis Brody (Sunwest) regarding proposed insurance premium financing sources (.3); correspondence with Steve Stradley (Sunwest), Curtis Brody (Sunwest), Jonathan Kim (Pachulski), and Tori Newmark (Pachulski) regarding proposed teleconference to discuss insurance premium financing strategy (.2).
09/02/08	P.L. Bednar	0.20	Correspondence with Shain Pearse (Sunwest) regarding September payments to investors (.1); correspondence with Pam Mattson (Sunwest) regarding September payments to investors (.1).
09/03/08	P.L. Bednar	0.30	Review Timmons and Brophy declarations to accompany ombudsman motion.

SUNWEST MANAGEMENT, INC.  
October 17, 2008

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Date	Name	Hour	Description
09/03/08	P.L. Bednar	2.30	Correspondence with Brett Salmon (Sunwest) regarding bankruptcy information to be provided pursuant to case noticing order, as well as information on 1-800 hotline number for resident complaints (.2); telephone conversation with Brett Salmon (Sunwest) regarding bankruptcy information to be provided pursuant to case noticing order, as well as information on 1-800 hotline number for resident complaints (.2); correspondence with Greg Yates regarding claims agent agreement (.1); review claims agent draft agreement and schedule of rates (.4); telephone conversation with Greg Yates regarding claims agent agreement (.1); correspondence with Paul Rundell (A&M) regarding claims agent agreement (.1); telephone conversation with Paul Rundell (A&M) regarding claims agent agreement (.1); correspondence with Eric Kurtzman (KCC) regarding proposed changes to draft claims agent agreement (.3); correspondence with Jonathan Kim (Pachulski) regarding follow-up questions arising from call with U.S. Trustee's Office (.4); correspondence with James Estes (Sunwest) regarding claims agent agreement (.1); telephone conversation with Greg Yates regarding claims agent work (.2); correspondence with Curtis Brody (Sunwest) regarding scheduling for Sept. 8 bankruptcy court hearing (.1).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275214  
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Date	Name	Hour	Description
09/03/08	P.L. Bednar	3.80	Review spreadsheet prepared by Steve Stradley (Sunwest) regarding insurance premium payment amounts (.5); correspondence with Steve Stradley (Sunwest) regarding questions on insurance premium amounts shown on spreadsheet (.3); correspondence with Paul Rundell (A&M) and Shain Pearse (Sunwest) regarding adjusted insurance payment amounts (.2); prepare for teleconference with Steve Stradley (Sunwest) and Tori Newmark (Pachulski) regarding insurance premium financing (.6); teleconference with Steve Stradley (Sunwest) and Tori Newmark (Pachulski) regarding insurance premium financing (.5); teleconference with Jonathan Kim (Pachulski) and Tori Newmark (Pachulski) regarding insurance premium financing (.5); correspondence with Steve Stradley (Sunwest) regarding follow-up matters on insurance premium financing (.3); correspondence with Matt Marcos (A&M) regarding discussions with GE and Marathon on liability insurance premiums (.2); review Nashville Senior Living DIP budget (.3); review GE and Marathon loan agreement language on liability insurance premiums (.4).
09/04/08	P.L. Bednar	0.80	Telephone conversation with Eric Schultenover (Waller) regarding amended Steptoe application to employ (.1); make edits to Steptoe application to employ (.6); telephone conversation with Greg Yates regarding amended Steptoe application to employ (.1).
09/04/08	P.L. Bednar	1.10	Review case management order entered on docket (.1); correspondence with Brett Salmon (Sunwest) regarding case management order (.1); telephone call with Paul Rundell (A&M) regarding claims agent work (.2); teleconference with Scotta McFarland (Pachulski), Pamela Singer (Pachulski), Paul Rundell (A&M), Eric Kurtzman (KCC), and Travis Vandell (KCC) regarding claims agent work (.6); telephone conversation with Eric Kurtzman regarding claims agent agreement (.1).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275214  
Matter No. 017026.00004

<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
09/04/08	P.L. Bednar	1.30	Telephone conversation with Fil Agusti regarding insurance premium financing (.2); teleconference with Fil Agusti and Steve Stradley (Sunwest) regarding insurance premium financing (.3); telephone conversation with Steve Stradley regarding insurance premium financing (.2); telephone conversation with Steve Stradley regarding insurance premium financing (.1); telephone conversation with Jonathan Kim (Pachulski) regarding status of property insurance premium financing (.3); review updated insurance schedule provided by Steve Stradley (.2).
09/05/08	P.L. Bednar	0.60	Correspondence with James Estes (Sunwest) regarding amended Steptoe application to employ (.1); telephone conversation with Sarah Bruck (Sunwest) regarding amended Steptoe application to employ (.1); telephone conversations with Fil Agusti regarding amended Steptoe application to employ (.1); correspondence with Jon Harder (Sunwest) and Wally Gutzler (Sunwest) regarding amended Steptoe application to employ (.1); telephone conversations with Eric Schultenover (Waller) regarding amended Steptoe application to employ (.1); correspondence with Eric Schultenover (Waller) regarding amended Steptoe application to employ (.1).
09/05/08	P.L. Bednar	0.70	Correspondence with Shain Pearse (Sunwest) and Steve Stradley (Sunwest) regarding timing of insurance payments (.1); correspondence with Jonathan Kim (Pachulski) and Tori Newmark (Pachulski) regarding insurance payments (.1); correspondence with Shain Pearse (Sunwest) regarding insurance premium payments (.2); correspondence with Jonathan Kim (Pachulski) and Paul Rundell (A&M) regarding insurance premium payments (.2); telephone conversation with Jonathan Kim (Pachulski) regarding insurance premium payments (.1).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275214  
Matter No. 017026.00004

Date	Name	Hour	Description
09/08/08	P.L. Bednar	1.40	Confer with Shain Pearse (Sunwest) regarding source of retainer amounts for bankruptcy debtor legal work (.3); confer with Curtis Brody (Sunwest) regarding source of retainer amounts for bankruptcy debtor legal work (.2); draft proposed response to U.S. Trustee regarding retainer amounts and compensation for bankruptcy debtor legal work (.3); telephone conversation with Jonathan Kim (Pachulski) regarding disclosures for bankruptcy debtor legal work (.2); review draft application to employ KCC as claims agent, as well as related declarations (.4).
09/08/08	P.L. Bednar	0.40	Confer with Steve Stradley (Sunwest) regarding timing of insurance payments (.2); confer with Shain Pearse (Sunwest) regarding timing of insurance payments (.2).
09/08/08	P.L. Bednar	0.40	Correspondence with Greg Yates regarding A/P reports for debtor entities (.3); correspondence with Jonathan Kim (Pachulski) regarding TIC agreements (.1).
09/09/08	P.L. Bednar	0.30	Correspondence with Fil Agusti and Greg Yates regarding supplemental statement of disinterestedness as to Steptoe retention (.1); begin drafting supplemental statement of disinterestedness as to Steptoe retention (.2).
09/09/08	P.L. Bednar	0.30	Confer with Shain Pearse (Sunwest) regarding status of insurance premium payments (.2); correspondence with Jonathan Kim (Pachulski) and Paul Rundell (A&M) regarding status of insurance premium payments (.1).
09/09/08	P.L. Bednar	0.10	Correspondence with Pam Mattson (Sunwest) regarding bankruptcy notices received by investors.
09/09/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) and Sam Maizel (Pachulski) regarding Altman affidavit for ombudsman motion.
09/10/08	P.L. Bednar	0.60	Telephone conversation with Greg Yates regarding additional declaration in support of application to employ Steptoe (.1); telephone conversation with Jonathan Kim (Pachulski) regarding additional declaration in support of application to employ (.2); update spreadsheet of attorney retainers and prepetition fee amounts (.3).

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<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
09/10/08	P.L. Bednar	0.40	Confer with Shain Pearse (Sunwest) and Matt Marcos (A&M) regarding status of insurance payments.
09/10/08	P.L. Bednar	0.10	Correspondence with Sam Maizel (Pachulski) regarding Altman affidavit.
09/11/08	P.L. Bednar	0.50	Confer with Barbara Jones (Sunwest) regarding attorney retainers and prepetition fee amounts for purpose of completing schedules and statements.
09/12/08	P.L. Bednar	0.40	Make edits to spreadsheet of attorney retainer amounts and prepetition fees.
09/12/08	P.L. Bednar	0.80	Confer with Barbara Jones (Sunwest) regarding attorney retainer amounts and prepetition fees for purpose of completing SOFAs.
09/12/08	P.L. Bednar	0.10	Confer with Steve Stradley (Sunwest) regarding proof of insurance.
09/15/08	P.L. Bednar	0.20	Correspondence with Scotta McFarland (Pachulski) regarding attorney retainer and prepetition fee amounts.
09/15/08	P.L. Bednar	0.20	Correspondence with Jonathan Kim (Pachulski) regarding utility company notices.
09/16/08	P.L. Bednar	0.10	Correspondence with Barbara Jones (Sunwest) regarding attorney retainer and prepetition fee amounts for purpose of completing statements and schedules.
09/17/08	P.L. Bednar	0.30	Confer with Barbara Jones (Sunwest) regarding status of schedules and statements preparation (.1); search SEC EDGAR database for filings by debtor entities (.1); correspondence with Scotta McFarland (Pachulski) regarding SEC filings by debtor entities (.1).
09/18/08	F. Agusti	0.10	Respond to questions about plans for 341 hearing.
09/18/08	P.L. Bednar	0.70	Review draft statements and schedules for Nashville Senior entity (.3); meet with Curtis Brody (Sunwest), Barbara Jones (Sunwest), and Paul Rundell (A&M) to review draft statements and schedules for Nashville Senior entity (.3); review latest version of Nashville Senior statements and schedules (.1).

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Date	Name	Hour	Description
09/19/08	P.L. Bednar	0.80	Telephone conversation with Mary Sherman regarding overview of copying/filing project involving backup documentation for payments to insider creditors (.2); telephone conversation with Mary Sherman regarding strategy for copying/filing project (.1); correspondence with Mary Sherman regarding information needed for copying/filing project (.1); teleconference with Scotta McFarland (Pachulski) and Barbara Jones (Sunwest) regarding disclosure and classification of attorney retainers and fee payments on schedules and SOFAs (.4).
09/22/08	P.L. Bednar	0.30	Confer with Barbara Jones (Sunwest) regarding organization of backup documentation for SOFA schedule 3c insider payments (.2); review backup documentation of payments to insiders listed in SOFA schedule 3c (.1).
09/23/08	M. Sherman	2.50	Organize documents for Mr. Agusti's meeting with Trustee (1.5); prepare folders and labels for copying project (1.0).
09/23/08	P.L. Bednar	0.30	Telephone call with Mary Sherman regarding copying and filing project regarding backup for SOFA 3c schedule payments to insiders (.1); teleconference with Mary Sherman and Barbara Jones (Sunwest) regarding copying and filing project regarding backup for SOFA 3c schedule payments to insiders (.2).
09/23/08	P.L. Bednar	0.20	Review LLC resolutions regarding bankruptcy filing, and correspond with Paul Rundell (A&M) regarding same (.2).
09/25/08	F. Agusti	1.30	Confer with Messrs. Brody, Rundell, and Guy re preparation for meeting with the UST in anticipation for the 341 hearing (.3); conference with Mr. Guy to prepare for the VTA discussion with the UST (.2); review SOFAs with Mr. Brody to prepare him for the meeting (.3); represent client at meeting with UST representatives to give them overview of restructuring plan, confer about VTA and A&M retention issues associated with the same, answer UST questions re same (.3); leave messages with Messrs. Harder and Fisher re discussion with UST (.2).

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<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
09/25/08	F. Agusti	0.30	Review McMullen \$500k issue and help Messrs. Rundell and Brody re same.
09/26/08	F. Agusti	0.30	Give instructions re Wells Fargo information request.
09/26/08	F. Agusti	0.30	Give instructions re resident refunds.
09/26/08	F. Agusti	0.50	Final preparation of witness for hearing (.3); represent client at 341 hearing (.2).
09/29/08	P.L. Bednar	0.10	Correspondence with Paul Rundell (A&M) regarding information requested by U.S. Trustee (.1).
09/30/08	P.L. Bednar	0.10	Correspondence with Fil Agusti regarding interim compensation procedures (.1).
09/30/08	P.L. Bednar	0.50	Draft response to U.S. Trustee questions and requests from 341 meeting of creditors (.5).

Mr. Curtis Brody  
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IN ACCOUNT WITH  
**STEPHOE & JOHNSON LLP**

December 15, 2008

**INVOICE**

Our Matter No. 017026.00002  
CAROLINA 7

Invoice No. 2278886

**For Professional Services Rendered October 1, 2008 Through October 31, 2008:**

**Fees:**

<b>Attorney/Paralegal</b>	<b>Hours</b>	<b>Rate</b>	<b>Value</b>
F. Agusti	16.60	610.00	10,126.00
G.R. Yates	39.00	500.00	19,500.00
A.J. Sloniewsky	33.50	500.00	16,750.00
J.R. Taylor	6.30	480.00	3,024.00
P.L. Bednar	23.50	395.00	9,282.50
<b>Total Fees:</b>			<b>\$58,682.50</b>

**Expenses:**

Air Fair	2,497.50
Duplicating	12.60
Facsimile	12.00
Hotel	695.94
Taxis	294.00
Meals While on Travel	<u>392.93</u>

**Total Expenses:** **\$3,904.97**

**Allocation from "Bankruptcy General":** **\$703.22**

**Total Due for this Period:** **\$63,290.69**

**Previous Balance:** **\$40,022.00**

**Total Amount Due:** **\$103,312.69**

Tax I.D. Number 52-1349790

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IN ACCOUNT WITH  
**STEPTOE & JOHNSON LLP**

December 15, 2008

**\*Allocation is determined as 7/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.**

Tax I.D. Number 52-1349790

Mr. Curtis Brody  
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CAROLINA 7

F. Agusti Partner

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
FA	10/01/08	Confer with Mr. Brody re affidavit in support of motion.	0.50 hrs.	AD	
FA	10/02/08	Review and edit letter to Trustees re TIC committee (.3); confer with Mr. Guy re Trustee appointment of TIC committee (.3); give instructions to Mr. Bednar re preparation of draft of the same (.3); confer with Mr. Rogers re planned response to TIC appointment (.3).	1.20 hrs.	AD	
FA	10/03/08	Review, edit, and write motion to disband committee (2.0); review and edit draft after suggestions by colleagues to finalize (1.8).	3.80 hrs.	AD	
FA	10/06/08	Prepare note to Mr. Cross re his request for extension of time and discussion of objectives (.8); conference call with Messrs. Cross and Rogers and Ms. Tancredi re Carolina 7 extension, production of documents (.5).	1.30 hrs.	BL	
FA	10/06/08	Review questions posed in separate emails from Mr. Goldberg re A&M retention and voting trust and prepare responses to the same.	0.20 hrs.	RP	
FA	10/20/08	Review TIC Committee opposition and prepare email with factual corrections that should be made and with points in focusing oral argument (.8); find and send Mr. Yates template of prior Rothschild direct (.2).	1.00 hrs.	CA	
FA	10/22/08	Review Judge Paines' opinion (.2); give instructions re next steps (.2); review and respond to questions regarding effort to contact administrators directly (.6).	1.00 hrs.	CA	
FA	10/23/08	Review pleadings filed by TIC committee vs. GE (.3); respond to Mr. Rogers re same and determine initial strategy after email exchanges with colleagues (1.0).	1.30 hrs.	CA	

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
FA	10/24/08	Participate in conference call with colleagues re response to adversary complaint and motion for TRO in connection with sale of TIC interests (.6); draft debtors' response to the same (2.2); confer with Mr. Rogers re plan on the same (.4); review and approve Guy and Kharasch comments on the same (.2); finalize response (.6).	4.00 hrs.	CA	
FA	10/27/08	Conference call with Messrs. Rogers, Richardson, Hunter, Yates, and Guy to determine strategy for responding to various TIC motions (1.1); follow-up conferences with Mr. Yates (.4).	1.50 hrs.	GB	
FA	10/28/08	Confer re depositions and re TRO hearing with Mr. Guy and Mr. Kharasch (.5); various exchanges with Mr. Yates re instructions on the depositions (.3).	0.80 hrs.	GB	
			TOTAL	16.60 hrs.	

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A.J. Sloniewsky Of Counsel

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
AJS	10/22/08	Discussions with G. Yates regarding TICs' likely strategy for opposing sale to Five Star Quality.	0.40 hrs.		AD
AJS	10/22/08	Review Debtors' motion to sell assets and set sale procedure, TICs' responses to foregoing, bankruptcy court's ruling, and related ancillary documents, in preparation for drafting comprehensive response to TICs' forthcoming motions opposing sale.	1.20 hrs.		AD
AJS	10/23/08	Review summary judgment opposition papers and multiple exhibits filed by TIC committee, in order to prepare response in favor of proposed sale to Five Star.	0.70 hrs.		AD
AJS	10/23/08	Begin preparing outline for response in support of sale to Five Star, including list of issues to be addressed and factual bases for same.	1.60 hrs.		AD
AJS	10/24/08	Review answer and motions to intervene filed by TIC committee, including counterclaims for fraud, 10-b violations.	0.20 hrs.		AD
AJS	10/24/08	Call with J. Hunter (Pachulski) regarding TIC committee answer, summary judgment opposition papers relating to proposed Five Star sale.	0.30 hrs.		AD
AJS	10/24/08	In order to respond to TIC committee's opposition to sale to Five Star, begin review of Sixth Circuit cases addressing standards under which sales outside the ordinary course of business are assessed.	1.40 hrs.		AD
AJS	10/24/08	Research regarding mootness issue as applied to automatic stay issue, in order to respond to TIC committee motion for TRO regarding alleged GE foreclosure efforts.	0.70 hrs.		SL
AJS	10/28/08	In order to respond to TIC committee efforts to block sale to Five Star, further review Sixth Circuit case-law relating to permissible sales, and further prepare memorandum summarizing same.	1.20 hrs.		AD

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
AJS	10/28/08	In preparing response to TIC committee efforts to block sale of property to Five Star, further prepare memorandum summarizing TIC committee's principal arguments, and begin preparing list of possible rebuttal points.	0.60 hrs.	AD	
AJS	10/29/08	Review TIC committee subpoenas and discovery to debtors and master tenants served as part of TIC efforts to block Five Star sale, and prepare list of potential objections to document requests and deposition topics in each.	4.50 hrs.	AD	
AJS	10/29/08	In response to subpoenas and discovery served by TIC committee on debtors and Sunwest, review national and local bankruptcy rules to determine potential objections to same based upon TIC committee failure to issue subpoenas from proper courts, and Committee's failure to correctly identify locations for depositions and document productions.	0.80 hrs.	AD	
AJS	10/29/08	Discussions with H. Blumenstiehl (counsel for GE), local Nashville counsel, J. Hunter, and G. Yates regarding strategy for responding to TIC committee discovery, subpoenas to debtors and Sunwest in connection with TIC committee efforts to block sale to Five Star.	0.80 hrs.	AD	
AJS	10/30/08	In connection with proposed sale of property to Five Star and related discovery and subpoenas served on debtors and Sunwest, discuss discovery subpoenas with L. Tancredi (counsel for TIC committee).	0.80 hrs.	AD	
AJS	10/30/08	In preparation for discussion with counsel for TIC committee regarding its discovery and subpoenas to debtors and Sunwest relating to proposed sale, further review discovery and subpoenas and prepare proposed objections to each document request and deposition topic.	3.20 hrs.	AD	
AJS	10/30/08	Discussions with G. Yates, J. Hunter, and S. Brown (client) regarding discovery and subpoenas served by TIC committee in connection with proposed sale of properties to Five Star.	0.60 hrs.	AD	

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
AJS	10/30/08	Begin preparing objections to TIC committee discovery and subpoenas regarding proposed Five Star sale and that were served on debtors and Sunwest, including objections and responses to document requests.	3.80 hrs.		AD
AJS	10/30/08	In response to TIC committee discovery and subpoenas seeking tax returns in connection with proposed Five Star sale, perform research regarding ability to obtain such returns in discovery.	0.40 hrs.		AD
AJS	10/31/08	In connection with proposed sale of properties to Five Star, further prepare objections to discovery requests and subpoenas served by TIC committee on debtors and Sunwest, further prepare objections to foregoing on behalf of debtors and Sunwest, and in connection with same review loan documents and financial statements produced to date on behalf of debtors.	8.80 hrs.		AD
AJS	10/31/08	In connection with potential sale of property to Five Star, discuss TIC Committee discovery requests to debtors with J. Hunter (Pachulski), R. Guy (local counsel), G. Yates and P. Bednar.	1.50 hrs.		AD
		TOTAL	33.50 hrs.		

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G.R. Yates Partner

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
GRY	10/08/08	Negotiate Asset Purchase Agreement (2.0); revise Asset Purchase Agreement (2.8); analyze due diligence material (1.6).	6.40 hrs.		AD
GRY	10/09/08	Review purchases comments to APA and revise (3.7); long call with purchaser's counsel to discuss issues (1.5); analyze due diligence material (1.2).	6.40 hrs.		AD
GRY	10/10/08	Revise Asset Purchase Agreement (1.9); analyze issues and negotiate with stalking horse (2.50); revise Escrow Agreement (.50); draft schedules for APA (1.50); analyze due diligence materials (.50)	6.90 hrs.		AD
GRY	10/13/08	Coordinate due diligence compliance (.5); analyze and Revise Escrow Agreement (.7).	1.20 hrs.		AD
GRY	10/17/08	Work on due diligence issues (1.0); discuss objection to expedited bid procedures with Mr. Agusti (.4); call to Mr. Rothschild to discuss witness preparation (.3).	1.70 hrs.		AD
GRY	10/18/08	Draft Witness Outline for Mr. Rothschild for hearing on Objection to Expedited Approval of Bid Procedures.	2.80 hrs.		AD
GRY	10/21/08	Prepare for Procedures hearing (1.0); draft hearing argument outline (1.0); final witness preparation for Mr. Rothschild (1.0); appear at hearing (2.0); argue motion and examine witness (2.0); calls after hearing to discuss with Mr. Agusti and Mr. Rogers (.9).	7.90 hrs.		AD
GRY	10/29/08	Discussions with TIC counsel at Venable (.2); address discovery issues and formulate objections (.8); begin witness preparation (.8).	1.80 hrs.		BL
GRY	10/30/08	Work on Discovery issues to address issues and formulate objections and begin drafting (1.7); discussions with TIC counsel at Venable (.2).	1.90 hrs.		BL

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
GRY	10/31/08	Work on Discovery issues and objections to requests for documents (1.3); numerous discussions with Mr. Sloniewsky to address issues and formulate objections (.5); discuss issues with Mr. Hunter at PSZJ (.2).	2.00 hrs.	BL	
			TOTAL	39.00 hrs.	

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J.R. Taylor Associate

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
JRT	10/20/08	Prepare response to Objections of TIC Committee and Doyle's to bidding procedures motion (6.0); conference call with Debtor/Lender counsel (.3).	6.30 hrs.	AD	
		TOTAL	6.30 hrs.		

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P.L. Bednar                      Associate

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/01/08	Research bankruptcy case law on formation of special committees and U.S. Trustee's appointment of special committees (.1); revise draft letter to U.S. Trustee regarding formation of TIC committee (.6); confer with Fil Agusti and Greg Yates regarding TIC debt assumption agreement (.2); correspondence with Ira Kharasch (Pachulski) regarding edits to U.S. Trustee letter on TIC committee (.1); review additional cases provided by Bobby Guy (Waller) on equityholder committees (.2).	3.20 hrs.		AD
PLB	10/02/08	Begin drafting TIC Committee motion (2.8).	2.80 hrs.		BL
PLB	10/03/08	Research case law on tenants-in-common as contingent creditors (.2); make revisions to TIC Committee motion (.6); review Carolina 7 loan and TIC documents for indemnity language (1.1); telephone conversation with Fil Agusti regarding indemnity language in TIC documents (.2); correspondence with Fil Agusti regarding indemnity language in TIC documents (.1); telephone conversation with Fil Agusti regarding indemnity language in TIC documents (.1); correspondence with Fil Agusti regarding indemnity language in TIC document (.1); confer with James Estes (Sunwest) regarding indemnification of TICs (.1); confer with Tom Wettlaufer (Sunwest) regarding indemnification of TICs (.1); confer with James Estes (Sunwest) regarding sophisticated investor language in offering memorandum (.1).	2.70 hrs.		BL

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/06/08	Telephone conversation with Greg Yates regarding Carolina 7 confidentiality agreement with Carolina 7 TIC attorney covering draft APA (.1); draft Carolina 7 confidentiality agreement with Carolina 7 TIC attorney covering draft APA (2.2); telephone conversation with Greg Yates regarding Carolina 7 confidentiality agreement with Carolina 7 TIC attorney covering draft APA (.1); confer with Sarah Bruck (Sunwest) regarding documents requested by Carolina 7 TIC attorney (.2).	2.60 hrs.		BL
PLB	10/07/08	Revise draft confidentiality agreement regarding draft APA to be provided to Carolina 7 TIC attorney (.3); correspondence with Jonathan Kim (Pachulski) regarding TIC Committee motion (.1); confer with Barbara Jones (Sunwest) regarding gathering of financial documents requested by TIC attorneys (.2); continue revising draft confidentiality agreement regarding draft APA (.2); correspondence with Lisa Tancredi (Venable) and Michael Burke (Burke & Associates) regarding confidentiality agreement (.1).	0.90 hrs.		AD
PLB	10/08/08	Confer with Sarah Bruck (Sunwest) regarding nature of adversary proceedings and state of incorporation of TICs (.1); review final version of TIC Committee motion (.1); correspondence with Eric Schultenover (Waller) regarding TIC Committee motion (.1).	0.30 hrs.		BL
PLB	10/09/08	Revise TIC confidentiality agreement regarding draft APA (.4); correspondence with Lisa Tancredi (Venable) and Michael Burke (Burke & Associates) regarding edits to confidentiality agreement as to draft APA (.2); correspondence with Jonathan Kim (Pachulski) regarding service of sale motion (.1); make additional revisions to TIC confidentiality agreement regarding draft APA (.2); correspondence with Lisa Tancredi (Venable) and Michael Burke (Burke & Associates) regarding production of draft APA (.2).	1.10 hrs.		AD

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/09/08	Telephone conversation with Jim Hunter (Pachulski) regarding production of documents to TIC counsel (.1); review bank statements and financial statements to be provided to TIC counsel (.1).	0.20 hrs.	BL	
PLB	10/09/08	Correspondence with Scotta McFarland (Pachulski) and Paul Rundell (A&M) regarding swap agreements and impact on schedules (.1).	0.10 hrs.	FF	
PLB	10/10/08	Correspondence with Tori Newmark (Pachulski) regarding coordination of Deines review and signature of declaration for sale motion (.2); telephone conversation with Mike Deines (Sunwest) regarding affidavit for sale motion (.1); confer with Mike Deines (Sunwest) regarding affidavit for sale motion (.2); revise declaration for sale motion (.2); correspondence with Tori Newmark (Pachulski) regarding status of Deines affidavit (.1).	0.80 hrs.	AD	
PLB	10/12/08	Draft confidentiality agreement for documents requested by TIC counsel (.5).	0.50 hrs.	BL	
PLB	10/13/08	Revise confidentiality agreement regarding documents to be provided to Carolina 7 TIC counsel (.6); correspondence with Lisa Tancredi (Venable) and Michael Burke (Burke & Associates) regarding edits to confidentiality agreement (.2); correspondence with Jim Hunter (Pachulski) regarding production of requested documents (.1).	0.90 hrs.	BL	
PLB	10/14/08	Correspondence with Lisa Tancredi (Venable) and Michael Burke (Burke & Associates) regarding production of Carolina 7 documents (.2).	0.20 hrs.	BL	
PLB	10/15/08	Correspondence with Tori Newmark (Pachulski) regarding exhibits/schedules to Carolina 7 asset purchase agreement (.1).	0.10 hrs.	BL	
PLB	10/17/08	Correspondence with Jim Hunter (Pachulski) regarding document production to TIC counsel (.1).	0.10 hrs.	BL	

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
PO Box 3006  
Salem, Oregon 97302

Matter No: 017026.00002  
Invoice Date: November 10, 2008  
Invoice No: 2278886  
Page No. 12

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/20/08	Telephone conversation with Josh Taylor regarding documents needed for response to Carolina 7 TIC opposition to sale motion (.1); correspondence with Tori Newmark (Pachulski) regarding Word versions of Carolina 7 sale motion and accompanying declaration (.1); conference call with Greg Yates and Josh Taylor regarding strategy in responding to objections to Carolina 7 sale motion (.3); review TIC Committee objection to sale motion and draft summary of objection (.2); review draft reply to Doyle and TIC Committee objections to sale procedures motion (.2); correspondence with Jim Hunter (Pachulski) regarding document production (.1); telephone conversation with Josh Taylor regarding reply brief filing (.1); correspondence with Josh Taylor regarding summary judgment and TIC Committee opposition pleadings (.2); review draft reply brief to TIC Committee objection to sale motion (.3); correspondence with Bobby Guy (Waller) regarding reply brief filing (.1).	1.70 hrs.		BL
PLB	10/21/08	Telephone call with Greg Yates regarding summary of today's hearing on sale procedures motion (.2); teleconference with Jim Hunter (Pachulski) and Sarah Bruck (Sunwest) regarding documents to be produced to TIC counsel (.2); review filed version of reply to TIC Committee opposition regarding Carolina 7 sale procedures motion (.1).	0.50 hrs.		BL

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Invoice No: 2278886  
Page No. 13

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/24/08	Review TIC Committee's TRO application and complaint alleging automatic stay violation (.2); draft and revise response brief to TIC Committee's TRO application (1.2); research case law on mootness of TRO applications (.4); telephone conversation with Andrew Sloniewsky regarding case law on mootness of TRO applications (.1); telephone conversation with Fil Agusti regarding response brief strategy (.1); telephone conversation with Bobby Guy (Waller) regarding response brief strategy (.1); correspondence with Ira Kharasch (Pachulski) and Bobby Guy (Waller) regarding draft response brief (.1); correspondence with Randy Rogers (Winston) regarding draft response brief (.1); correspondence with Bobby Guy (Waller) regarding filing of response brief (.1).	2.40 hrs.		BL
PLB	10/27/08	Telephone conversation with Jonathan Kim (Pachulski) regarding service of Carolina 7 sale motion (.1).	0.10 hrs.		BL
PLB	10/28/08	Review TIC Committee's subpoenas and document requests (.5).	0.50 hrs.		BL
PLB	10/29/08	Telephone conversation with Andrew Sloniewsky regarding Carolina 7 discovery prior to recently issued subpoenas by TIC Committee counsel.	0.10 hrs.		BL
PLB	10/30/08	Correspondence with Andrew Sloniewsky regarding financial statements produced to TIC Committee counsel.	0.10 hrs.		BL

Mr. Curtis Brody  
 Chief Financial Officer  
 Sunwest Management, Inc.  
 3723 Fairview Industrial Drive SE  
 PO Box 3006  
 Salem, Oregon 97302

Matter No: 017026.00002  
 Invoice Date: November 10, 2008  
 Invoice No: 2278886  
 Page No. 14

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/31/08	Correspondence with Andrew Sloniewsky regarding documents needed to respond to TIC Committee subpoenas (.1); telephone conversation with Andrew Sloniewsky regarding documents produced to TIC Committee counsel (.1); correspondence with Andrew Sloniewsky regarding documents produced to TIC Committee counsel (.2); telephone conversation with Andrew Sloniewsky regarding documents produced to TIC Committee counsel (.2); gather and review Carolina 7-related loan and investor documents to be produced to TIC Committee counsel, and correspond with Andrew Sloniewsky regarding same (.5); correspondence with Jim Hunter (Pachulski) and Andrew Sloniewsky regarding production of Carolina 7 financials and bank statements (.1); review draft objections to TIC Committee subpoenas (.4).	1.60 hrs.	BL	
					TOTAL 23.50 hrs.

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
PO Box 3006  
Salem, Oregon 97302

Matter No: 017026.00002  
Invoice Date: November 10, 2008  
Invoice No: 2278886

For Services Through October 31, 2008

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
F. Agusti	16.60	610.00	10,126.00
G.R. Yates	39.00	500.00	19,500.00
A.J. Sloniewsky	33.50	500.00	16,750.00
J.R. Taylor	6.30	480.00	3,024.00
P.L. Bednar	23.50	395.00	9,282.50
Total	118.90		\$58,682.50
TOTAL FEES			\$58,682.50
<u>Expenses</u>			
Air Fare		2,497.50	
Duplicating		12.60	
Facsimile		12.00	
Hotel		695.94	
Taxis		294.00	
Meals While on Travel		392.93	
TOTAL EXPENSES			\$3,904.97
TOTAL DUE FOR THIS MATTER			\$62,587.47

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Please send remittance to: Steptoe & Johnson LLP  
Accounting Department  
1330 Connecticut Avenue, NW  
Washington, D.C. 20036-1795

Wiring Instructions:  
**Bank:** Wachovia Bank of Washington, D.C.  
**ABA#:** 054001220  
**Beneficiary's Account #:** 2000033223276  
**Swift Code --** PNBP US 33  
**Beneficiary's Name:** Steptoe & Johnson LLP

Tax I.D. Number 52-1349790

Job : 183  
Date: 1/9/2009  
Time: 1:50:41 PM

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
PO Box 3006  
Salem, Oregon 97302

1330 Connecticut Avenue NW  
Washington, DC 20036-1795

Telephone 202.429.3000  
Facsimile 202.429.3902  
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IN ACCOUNT WITH  
**STEPTOE & JOHNSON LLP**

October 17, 2008

**INVOICE**

Our Matter No. 017026.00003  
BRIARWOOD/CENTURY FIELDS

Invoice No. 2275163

**For Professional Services Rendered August 20, 2008 Through September 30, 2008:**

**Fees:**

<b>Attorney/Paralegal</b>	<b>Hours</b>	<b>Rate</b>	<b>Value</b>
F. Agusti	2.60	610.00	1,586.00
P.L. Bednar	16.10	395.00	6,359.50
M. Sherman	6.50	220.00	1,430.00
<b>Total Fees:</b>			<b>\$9,375.50</b>

**Expenses:**

Air Fare	1,560.00
Hotel	256.40
Taxis	50.00
Meals While On Travel	<u>51.65</u>
<b>Total Expenses:</b>	<b><u>\$1,918.05</u></b>
<b>Allocation from "Bankruptcy General":</b>	<b><u>\$2,805.80</u></b>
<b>Total Due for this Period:</b>	<b><u>\$14,099.35</u></b>
<b>Previous Balance:</b>	<b><u>\$0.00</u></b>
<b>Total Amount Due:</b>	<b><u>\$14,099.35</u></b>

\*Allocation is determined as 1/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.

Tax I.D. Number 52-1349790

**SUNWEST MANAGEMENT, INC.  
BRIARWOOD/CENTURY FIELDS  
SEPTEMBER 2008**

<b>Date</b>	<b>Name</b>	<b>Hour</b>	<b>Description</b>
08/28/08	P.L. Bednar	0.10	Confer with Curtis Brody (Sunwest) regarding resident refund motion.
08/28/08	P.L. Bednar	0.20	Confer with Kristine Bernard (Sunwest) regarding UCC financing statements filed by New South Federal Savings Bank.
08/28/08	P.L. Bednar	0.10	Review UCC financing statements filed by New South Federal Savings Bank for Briarwood/Century Fields.
08/28/08	P.L. Bednar	0.10	Telephone conversation with Andrew Sloniewsky regarding UCC financing statements filed by New South Federal Savings Bank.
08/28/08	P.L. Bednar	0.30	Confer with James Estes (Sunwest) regarding pledging of Century Fields membership interests.
08/28/08	P.L. Bednar	0.10	Confer with James Estes (Sunwest) regarding proposed jury demand in answer to New South Federal Savings Bank's complaint in state court action.
08/28/08	P.L. Bednar	0.10	Correspondence with Jonathan Kim (Pachulski) and Paul Rundell (A&M) regarding resident refund motion.
08/29/08	P.L. Bednar	0.10	Correspondence with James Estes (Sunwest) regarding Century Fields membership interest pledge.
08/29/08	P.L. Bednar	0.20	Correspondence with Curtis Brody (Sunwest) and Shain Pearse (Sunwest) regarding returned checks from New South Federal Savings Bank.
08/29/08	P.L. Bednar	0.30	Draft letter to Shain Pearse (Sunwest) regarding returned checks from New South Federal Savings Bank.
08/29/08	P.L. Bednar	0.10	Telephone conversation with Greg Yates regarding returned checks from New South Federal Savings Bank.
08/29/08	P.L. Bednar	0.20	Telephone conversation with Greg Yates regarding strategy as to Century Fields membership interest pledge.
09/02/08	P.L. Bednar	0.40	Telephone conversation with Greg Yates regarding returned checks from New South Federal Savings Bank (.1); correspondence with Shain Pearse (Sunwest), Curtis Brody (Sunwest), and Paul Rundell (A&M) regarding returned checks from New South Federal Savings Bank (.3).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275163  
Matter No. 017026.00003

Date	Name	Hour	Description
09/04/08	P.L. Bednar	3.40	Review Century Fields loan documents for collateral pledge agreement (.3); review open A/P list and draft list of payables to affiliates (.3); correspondence with Ira Kharasch (Pachulski) regarding pledge agreement and payables to affiliates of Century Fields (.2); correspondence with James Estes (Sunwest) and Tom Wettlaufer (Sunwest) regarding pledge of ownership interests in Century Fields (.2); telephone conversation with Fil Agusti regarding joint and several liability as to New South loan obligations (.1); telephone conversation with Fil Agusti regarding investors in Century Fields facility property (.1); review Century Fields loan documents for language on joint and several liability (.5); correspondence with Fil Agusti regarding summary of findings as to joint and several liability for Century Fields secured debt (.2); review membership interest pledge agreement as to LRS Development (.3); correspondence with Ira Kharasch (Pachulski) regarding membership interest pledge agreement as to LRS Development (.1); review membership interest pledge agreement as to Lemmons/JRL (.3); correspondence with Ira Kharasch (Pachulski) regarding membership interest pledge agreement as to Lemmons/JRL (.1); review cross-collateralization agreement as to Briarwood (.3); correspondence with Ira Kharasch (Pachulski) and Jonathan Kim (Pachulski) regarding Briarwood cross-collateralization agreement (.1); review cross-collateralization agreement as to Century Fields (.2); correspondence with Ira Kharasch (Pachulski) and Jonathan Kim (Pachulski) regarding Century Fields cross-collateralization agreement (.1).
09/05/08	P.L. Bednar	0.30	Review proposed stipulation terms from New South Federal Savings Bank regarding opposition to schedules extension motion (.1); correspondence with Curtis Brody (Sunwest) regarding proposed New South stipulation terms (.2).
09/08/08	P.L. Bednar	0.20	Correspondence with Sarah Bruck (Sunwest) regarding summary of pending state court litigation involving Briarwoods and Century Fields.
09/08/08	P.L. Bednar	0.10	Review amended DIP budgets for Briarwood and Century Fields.

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275163  
Matter No. 017026.00003

Date	Name	Hour	Description
09/09/08	P.L. Bednar	0.20	Confer with Barbara Jones (Sunwest) regarding status of response to Rule 2004 examination document requests.
09/10/08	P.L. Bednar	0.20	Correspondence with Jonathan Kim (Pachulski) regarding breakout of retainer amounts prepetition fee amounts.
09/10/08	P.L. Bednar	0.10	Correspondence with Barbara Jones (Sunwest) regarding status of adequate protection payments to New South.
09/11/08	P.L. Bednar	0.70	Telephone conversation with Eric Schultenover (Waller) regarding preparations for Rule 2004 exam document production (.1); confer with Curtis Brody on Rule 2004 exam document production (.1); review documents to be included in Rule 2004 exam document production (.2); telephone call with Jonathan Kim (Pachulski) regarding Rule 2004 exam document production (.2).
09/11/08	P.L. Bednar	0.40	Confer with Sarah Bruck (Sunwest) regarding schedules and statements question on secured loan classification (.2); correspondence with team regarding schedules and statements question on secured loan classification (.2).
09/12/08	P.L. Bednar	0.30	Confer with Barbara Jones (Sunwest) regarding backup for attorney retainer amounts and prepetition fees.
09/15/08	P.L. Bednar	0.60	Telephone conversation with Eric Schultenover (Waller) regarding question on backup documentation as to source of funds for attorney retainer amount (.1); confer with Barbara Jones (Sunwest) regarding backup documentation as to source of funds for attorney retainer amount (.1); confer with Shain Pearse (Sunwest) regarding backup documentation as to source of funds for attorney retainer amount (.1); confer with Daniel Fish (Sunwest) regarding backup documentation as to source of funds for attorney retainer amount (.1); correspondence with Eric Schultenover (Waller) regarding backup documentation as to source of funds for attorney retainer amount (.1); telephone conversation with Greg Yates regarding Steptoe retention letter (.1).
09/17/08	P.L. Bednar	0.20	Confer with Steve Stradley (Sunwest) and Joleen Fink (Alliance Insurance Group) regarding proof of insurance (.1); correspondence with Eric Schultenover (Waller) regarding proof of insurance (.1).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275163  
Matter No. 017026.00003

Date	Name	Hour	Description
09/17/08	P.L. Bednar	0.40	Confer with Sarah Bruck (Sunwest) regarding returned bankruptcy notices (.1); telephone conversation with Scotta McFarland (Pachulski) regarding payment of filing fees (.1); confer with Barbara Jones (Sunwest) regarding payment of filing fees (.1); confer with Sarah Bruck (Sunwest) regarding returned mail at Century Fields (.1).
09/17/08	P.L. Bednar	0.30	Review draft schedules and statements.
09/18/08	F. Agusti	0.10	Respond to questions about plans for 341 hearing.
09/18/08	P.L. Bednar	0.40	Confer with Shain Pearse (Sunwest) regarding bank account information for debtor entities (.1); correspondence with Ira Kharasch (Pachulski) regarding New South security agreement scope (.3).
09/18/08	P.L. Bednar	1.70	Review draft statements and schedules (.6); meet with Curtis Brody (Sunwest), Barbara Jones (Sunwest), and Paul Rundell (A&M) to review draft statements and schedules (.9); correspondence with Bobby Guy (Waller) and Eric Schultenover (Waller) regarding co-debtor provision in schedules (.1); review latest version of statements and schedules (.1).
09/18/08	P.L. Bednar	0.30	Confer with Joleen Fink (Alliance) regarding proof of insurance payments.
09/19/08	P.L. Bednar	0.10	Confer with Curtis Brody (Sunwest) regarding transcript and CD of Oregon receivership hearing.
09/19/08	P.L. Bednar	0.10	Confer with Joleen Fink (Alliance Insurance) regarding proof of insurance payments.
09/22/08	P.L. Bednar	0.10	Confer with Steve Stradley (Sunwest) regarding proof of insurance payments.
09/22/08	P.L. Bednar	1.40	Meet with Shain Pearse (Sunwest), Barbara Jones (Sunwest), Curtis Brody (Sunwest), and Francis Curtis (Sunwest) regarding documentation of payments to insiders as listed in SOFAs (1.0); confer with Barbara Jones (Sunwest) regarding organization of backup documentation for SOFA schedule 3c insider payments (.2); review backup documentation of payments to insiders listed in SOFA schedule 3c (.2).

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275163  
Matter No. 017026.00003

Date	Name	Hour	Description
09/23/08	M. Sherman	6.50	Organize documents to be relied upon by Mr. Agusti in meeting with Trustee (5.0); prepare labels for copying project (1.0); telephone call with Phil Bednar and client regarding overview of project (.2); boxing up and sending documents to Nashville in advance of Mr. Agusti (.3).
09/23/08	P.L. Bednar	0.40	Confer with Kristy Petersen (Sunwest) regarding proof of insurance payments (.1); confer with Francis Curtis (Sunwest) regarding proof of insurance payment (.1); review check copies showing proof of insurance payments, and correspond with Eric Schultenover regarding same (.2).
09/23/08	P.L. Bednar	0.30	Teleconference with Fil Agusti and Mary Sherman regarding backup for SOFA schedule 3c showing payments to insiders.
09/25/08	F. Agusti	0.50	Review McMullen \$500k issue in Briarwood and help Messrs. Rundell and Brody re same.
09/25/08	F. Agusti	1.00	Confer with Messrs. Brody, Rundell, and Guy re preparation for meeting with the UST in anticipation for the 341 hearing (.2); conference with Mr. Guy to prepare for the VTA discussion with the UST (.2); review SOFAs with Mr. Brody to prepare him for the meeting (.2); represent client at meeting with UST representatives to give them overview of restructuring plan, confer about VTA and A&M retention issues associated with the same, answer UST questions re same (.2); leave messages with Messrs. Harder and Fisher re discussion with UST (.2).
09/25/08	P.L. Bednar	0.10	Correspondence with Curtis Brody (Sunwest) regarding returned loan payment check amounts from New South bank.
09/26/08	F. Agusti	0.50	Final preparation of witness for hearing (.2); represent client at 341 hearing (.3).
09/26/08	F. Agusti	0.30	Give instructions re resident refunds.

SUNWEST MANAGEMENT, INC.  
October 17, 2008

Invoice No. 2275163  
Matter No. 017026.00003

Date	Name	Hour	Description
09/26/08	P.L. Bednar	0.30	Telephone conversation with Greg Yates regarding business person contact information for New South bank (.1); correspondence with Jonathan Kim (Pachulski) regarding ownership percentages of affiliated entities (.2).
09/26/08	F. Agusti	0.20	Give instructions re Wells Fargo information request.
09/29/08	P.L. Bednar	0.10	Confer with Steve Stradley (Sunwest) regarding proof of insurance payments.
09/30/08	P.L. Bednar	0.10	Confer with Barbara Jones (Sunwest) regarding account receivable amount shown on schedules.
09/30/08	P.L. Bednar	0.40	Draft spreadsheet of insurance payments.
09/30/08	P.L. Bednar	0.10	Confer with Curtis Brody (Sunwest) regarding CU Global LLC and ES Global LLC entities.
09/30/08	P.L. Bednar	0.50	Draft response to U.S. Trustee questions and requests from 341 meeting of creditors.

Mr. Curtis Brody  
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Telephone 202.429.3000  
Facsimile 202.429.3902  
[www.stephoe.com](http://www.stephoe.com)

IN ACCOUNT WITH  
**STEPHOE & JOHNSON LLP**

December 15, 2008

**INVOICE**

Our Matter No. 017026.00004  
NASHVILLE SENIOR

Invoice No. 2278889

**For Professional Services Rendered October 1, 2008 Through October 31, 2008:**

**Fees:**

**Total Fees:** **\$0**

**Expenses:**

**Total Expenses:** **\$0**

**Allocation from "Bankruptcy General"\***: **\$100.46**

**Total Due for this Period:** **\$100.46**

**Previous Balance:** **\$1,402.90**

**Total Amount Due:** **\$1,503.36**

**\*Allocation is determined as 1/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.**

Tax I.D. Number 52-1349790

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
PO Box 3006  
Salem, Oregon 97302

Matter No: 017026.00004  
Invoice Date: November 10, 2008  
Invoice No: 2278889  
Page No. 1

BANKRUPTCY GENERAL

F. Agusti                      Partner

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
FA	10/06/08	Review questions posed in separate emails from Mr. Goldberg re A&M retention and voting trust and prepare responses to the same.	0.20 hrs.	RP	
		TOTAL	0.20 hrs.		

Mr. Curtis Brody  
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 Sunwest Management, Inc.  
 3723 Fairview Industrial Drive SE  
 PO Box 3006  
 Salem, Oregon 97302

Matter No: 017026.00004  
 Invoice Date: November 10, 2008  
 Invoice No: 2278889  
 Page No. 2

P.L. Bednar                      Associate

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	10/14/08	Correspondence with Scotta McFarland (Pachulski) regarding information needed for lease assumption motion.	0.10 hrs.	AA	
PLB	10/15/08	Confer with Curtis Brody (Sunwest) regarding resident refund motion (.1); confer with Curtis Brody (Sunwest) and Barbara Jones (Sunwest) regarding resident refund motion (.1); confer with Barbara Jones (Sunwest) and Jessica Lindsay (Sunwest) regarding resident refund motion amount (.4); teleconference with Pam Singer (Pachulski), Barbara Jones (Sunwest), and Jessica Lindsay (Sunwest) regarding resident refund motion amount (.2); correspondence with Pam Singer (Pachulksi), Bobby Guy (Waller), and Daniel Flournoy (Waller) regarding filing of resident refund motion (.1).	0.90 hrs.	OP	
PLB	10/23/08	Research case law on separate classification of unsecured deficiency claims.	0.30 hrs.	BL	
PLB	10/28/08	Correspondence with Kashya Shei (SEC) regarding venue-related pleadings (.5); additional correspondence with Kashya Shei (SEC) regarding venue-related pleadings (.2).	0.70 hrs.	BL	
PLB	10/28/08	Telephone conversation with Michael Strong (Matthews, Pierce & Lloyd, Inc.) regarding bankruptcy debtors' legal entity names and facility addresses (.1); correspondence with Michael Strong (Matthews, Pierce & Lloyd, Inc.) regarding bankruptcy debtors' legal entity names and facility addresses (.1).	0.20 hrs.	CA	
		TOTAL	2.20 hrs.		

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
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Matter No: 017026.00004  
Invoice Date: November 10, 2008  
Invoice No: 2278889

For Services Through October 31, 2008

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
F. Agusti	0.20	610.00	122.00
P.L. Bednar	2.20	395.00	869.00
Total	2.40		\$991.00
TOTAL FEES			\$991.00
<u>Expenses</u>			
Duplicating		13.60	
TOTAL EXPENSES			\$13.60
TOTAL DUE FOR THIS MATTER			\$1,004.60

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Please send remittance to: Steptoe & Johnson LLP  
Accounting Department  
1330 Connecticut Avenue, NW  
Washington, D.C. 20036-1795

Wiring Instructions:  
**Bank:** Wachovia Bank of Washington, D.C.  
**ABA#:** 054001220  
**Beneficiary's Account #:** 2000033223276  
**Swift Code --** PNBP US 33  
**Beneficiary's Name:** Steptoe & Johnson LLP

Tax I.D. Number 52-1349790

Mr. Curtis Brody  
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Telephone 2024293000  
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IN ACCOUNT WITH  
**STEPHOE & JOHNSON LLP**

December 15, 2008

**INVOICE**

Our Matter No. 017026.00002  
CAROLINA 7

Invoice No. 2282968

**For Professional Services Rendered November 1, 2008 Through November 30, 2008:**

**Fees:**

<b>Attorney/Paralegal</b>	<b>Hours</b>	<b>Rate</b>	<b>Value</b>
F. Agusti	29.70	610.00	18,117.00
G.R. Yates	68.60	500.00	34,300.00
A.J. Sloniewsky	54.80	500.00	27,400.00
J.R. Taylor	6.30	480.00	3,024.00
P.L. Bednar	39.65	395.00	15,661.75
K. Galvani	2.90	355.00	1,029.50
J.M. Theodore	15.75	315.00	4,961.25
G. Gegenheimer	2.00	180.00	360.00
<b>Total Fees:</b>			<b>\$104,853.50</b>

**Expenses:**

Air Fair	959.75
Overnight Messenger	12.43
Duplicating	112.20
Facsimile	56.35
Hotel	563.95
On-Line Research/Information Retrieval	1,058.63
Postage	15.18
Taxis	142.54
Long Distance Telephone	53.08
Meals While on Travel	<u>112.70</u>

**Total Expenses:** **\$3,086.81**

Tax I.D. Number 52-1349790

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IN ACCOUNT WITH  
**STEP TOE & JOHNSON LLP**

December 15, 2008

<b>Allocation from "Bankruptcy General":</b>	<b><u>\$331.80</u></b>
<b>Total Due for this Period:</b>	<b><u>\$108,272.11</u></b>
<b>Previous Balance:</b>	<b><u>\$103,312.69</u></b>
<b>Total Amount Due:</b>	<b><u>\$211,584.80</u></b>

\*Allocation is determined as 7/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.

Tax I.D. Number 52-1349790

Mr. Curtis Brody  
 Chief Financial Officer  
 Sunwest Management, Inc.  
 3723 Fairview Industrial Drive SE  
 PO Box 3006  
 Salem, Oregon 97302

Matter No: 017026.00002  
 Invoice Date: December 5, 2008  
 Invoice No: 2282968  
 Page No. 1

## CAROLINA 7

F. Agusti                      Partner

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
FA	11/07/08	Review and edit outline of reply to TICs' 363 sale opposition; give instructions to Mr. Sloniewsky re same.	1.00 hrs.	CA	
FA	11/08/08	Review and edit draft brief to disband TIC Committee.	1.25 hrs.	CF	
FA	11/09/08	Review and edit draft reply to TICs' motion; confer w Mr. Sloniewsky re preparation of testimony; confer w Mr. Rundell re testimony on Wednesday.	1.00 hrs.	BL	
FA	11/10/08	Confer with Mr. Guy re agenda for Wednesday hearing, comments on reply to TIC opposition; review changes to pleadings and approve same; prepare oral argument for sale motion.	2.00 hrs.	BL	
FA	11/11/08	Review TICs' proposed "plan" and modify oral argument accordingly; review and edit Rundell testimony; meet with Mr. Rundell re his testimony, modifying same in accordance with discussions; review anticipated testimony with Mr. Rothschild modifying same in accordance with discussions; conference with Mr. Rogers re strategy for reorganization plan issues; conference with Ms. Blumenstiel, IGE local counsel and Mr. Arrowsmith re tomorrow's hearing in anticipation of the same; finalize testimony by Messrs. Rundell and Rothschild; prepare outline of cross-examination, prepare outline of oral argument for sale motion	9.00 hrs.	BL	
FA	11/12/08	Final work on witness outlines, cross preparation, oral argument for disband motion and sale motions; final witness prep before trial; represent client at trial of sale motion and at argument on disband motion; confer with Mr. Guy re follow-up steps on the motion; circulate results to colleagues.	9.25 hrs.	BL	
FA	11/13/08	Confer with colleagues re result, next steps in matter; review and edit court order.	1.00 hrs.	BL	

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FA	11/14/08	Confer with Mr. Kharasch and guy re steps to dismiss case; revise and edit order; review and edit Committee order; review and edit objection to Venable application	1.00 hrs.	BL	
FA	11/17/08	Confer with Mr. Guy re venerable email, application objection.	0.30 hrs.	CA	
FA	11/21/08	Review motion for a stay; confer with Mr. Theodore re preparing opposition at district court level; review proposed opposition at bankruptcy level.	1.30 hrs.	CA	
FA	11/24/08	Confer with Messrs. Kharasch and Guy re finalization of case, dismissal strategy; review and edit draft opposition to stay pending appeal and send to Mr. Guy for filing and comments.	1.30 hrs.	CA	
FA	11/25/08	Review and edit draft brief, adding section on procedural error; review and respond top issue on jurisdictional question and possible amended order.	1.30 hrs.	CA	
TOTAL			29.70 hrs.		

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A.J. Sloniewsky                    Of Counsel

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task</u> <u>Code</u>	<u>Actv</u> <u>Code</u>
AJS	11/03/08	In order to complete sale of Carolina 7 properties, further prepare objections to TIC committee's discovery and subpoenas directed to debtors and Sunwest, including additions relating to general objections, and specific objections relating to appraisals, marketing of properties, circumstances surrounding default, information available re discussions with GE, and information regarding sale of properties.	7.40 hrs.	AD	
AJS	11/03/08	In connection with completing objections to TIC committee discovery and subpoenas seeking to prevent sale of debtors' assets, discuss available information and documents to be produced with P. Bednar, G. Yates, and G. Gegenheimer (Steptoe litigation support).	1.10 hrs.	AD	
AJS	11/03/08	Discussions with I. Kharasch and R. Guy regarding filing of objections to TIC Committee discovery requests and subpoenas, and strategic issues relating to same.	0.70 hrs.	AD	
AJS	11/03/08	Based upon review of the parties' prior relevant briefs, begin preparing list of arguments to address with Court at upcoming November 12 hearing intended to focus on class certification issues.	0.40 hrs.	AD	
AJS	11/04/08	In response to TIC committee discovery requests seeking to block sale of debtors' assets, review various documents potentially to be produced to committee, including appraisals, documents provided by Pachulski firm, and emails obtained from S. Brown (client employee).	3.00 hrs.	AD	
AJS	11/04/08	Discussions with J. Hunter, P. Bednar, J. Stuart, G. Gegenheimer (Steptoe production support) and G. Yates, regarding responses to TIC committee discovery that TICs served as part of effort to block sale of debtors' assets, as well as identity of documents and testimony to be provided.	1.80 hrs.	AD	

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AJS	11/04/08	Prepare emails as well as a cover letter to L. Tancredi regarding documents being produced in response to TIC committee discovery regarding the proposed sale of the debtors' assets.	0.30 hrs.	AD	
AJS	11/05/08	In preparation for upcoming deposition of 30(b)(6) witnesses for debtors and Sunwest, prepare list of additional issues to raise with representative of debtor and Sunwest.	1.20 hrs.	AD	
AJS	11/05/08	Discussions with P. Rundell, G. Yates, P. Bednar, and J. Hunter regarding upcoming deposition of P. Rundell, in response to 30(b)(6) notices served by TIC committee in order to block proposed asset sale.	2.40 hrs.	AD	
AJS	11/05/08	Further research brief in support of motion for sale, including additional review of decisions addressing sale requirements.	0.70 hrs.	AD	
AJS	11/05/08	Additional review of documents potentially responsive to TIC committee discovery regarding sale of assets, in order to assess relevance and potentially privileged nature of same.	1.30 hrs.	AD	
AJS	11/06/08	Participate in deposition of P. Rundell, in connection with TIC committee efforts to prevent sale of debtors' assets.	2.60 hrs.	AD	
AJS	11/06/08	Prepare for upcoming deposition of P. Rundell that TIC committee scheduled in order to block sale of debtors' assets, including discussions with G. Yates and P. Bednar, and discuss results of deposition with same.	0.60 hrs.	AD	
AJS	11/06/08	In connection with proposed sale of debtors' assets, further review cases addressing bases for sale under Section 363(b), review underlying documentation of Carolina 7 transactions, and complete initial outline for reply.	5.10 hrs.	AD	
AJS	11/07/08	Discussions with H. Blumenstiehl (counsel for GE) regarding upcoming GE deposition scheduled by TIC committee in order to oppose sale of debtors' property.	0.30 hrs.	AD	

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AJS	11/07/08	Discussions with G. Yates and P. Rundell (Alvarez) regarding upcoming hearing seeking court leave to sell debtors' assets.	0.60 hrs.	AD	
AJS	11/07/08	In connection with reply in further support of proposed sale of debtors' assets, research cases relevant to issue of potential foreclosure on properties by GE.	2.40 hrs.	AD	
AJS	11/07/08	Begin drafting reply brief in support of sale of debtors' assets, including introduction and arguments relating to "sound business purpose" arguments, and review underlying transaction documents and relevant case law in connection with same.	6.20 hrs.	AD	
AJS	11/08/08	Further prepare reply in support of motion to sell debtors' assets, including portions addressing defenses raised by TIC committee, and review background facts and documents relating to same.	3.10 hrs.	AD	
AJS	11/09/08	In further support of sale of debtors' properties, complete additions to reply brief in support of such sale, including additional discussion of standard for section 363(b) sale and examples of sale pursuant to same.	2.30 hrs.	AD	
AJS	11/09/08	In preparation for upcoming 11/12/08 hearing regarding sale, begin outline for testimony of P. Rundell (Alvarez & Marsal), including portions regarding his background and general nature of debtors' operations and relations with other Sunwest entities.	2.60 hrs.	AD	
AJS	11/10/08	Complete outline for direct testimony of P. Rundell in support of sale of debtors' sale, and in connection with same, review his deposition testimony, TIC Committee's opposition to sale, and initial debtor papers in support of sale, as well as contract documents relating to guaranties, and assumptions of debt by TICs.	7.40 hrs.	AD	
AJS	11/10/08	Discussions with J. Taylor regarding preparation of D. Rothschild direct testimony outline in support of debtors' sale of assets.	0.30 hrs.	AD	

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AJS	11/10/08	Review D. Rothschild direct testimony outline in support of sale of debtors' assets, and make additions to same.	0.40 hrs.	AD	
AJS	11/10/08	In order to prepare outline for P. Rendell testimony regarding sale of debtors' assets, prepare emails to, and discuss with, G. Yates and P. Bednar regarding sale issues.	0.40 hrs.	AD	
AJS	11/11/08	Review emails produced by GE in preparation for upcoming sales hearing.	0.20 hrs.	AD	
			TOTAL	54.80 hrs.	

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G.R. Yates      Partner

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GRY	11/02/08	Draft responses to document discovery. (1.5). Begin witness outline (1.4).	2.90 hrs.	BL	
GRY	11/05/08	Work with Mr. Rundell on deposition preparation.	2.90 hrs.	BL	
GRY	11/06/08	Prepare Mr. Rundell for deposition.	2.50 hrs.	BL	
GRY	11/07/08	Work with Mr. Slonewski on sale pleadings. (1.9) Review Mr. Rundell's transcript. (1.5)	3.40 hrs.	BL	
GRY	11/10/08	Work with Mr. Slonewski to obtain factual information to address TIC Committee Objections to sale.	2.30 hrs.	AD	
GRY	11/10/08	Work with Mr. Rundell on preparation for testimony in support of sale motion.	1.80 hrs.	BL	
GRY	11/11/08	Work with on assembling various items in preparation for hearing.	1.90 hrs.	BL	
GRY	11/13/08	Revise Carolina 7 Sale Order.	0.90 hrs.	BL	
GRY	11/17/08	Analyze and revise Sale Order.	0.50 hrs.	AD	
GRY	11/18/08	Work on finalizing PSAs. Work with Ms. Galvani on various issues with potential buyers.	1.50 hrs.	AD	
GRY	11/20/08	Analyze and revise conveyance documents. (4.5) Coordinate due diligence materials and production to Buyer. (5.3).	9.80 hrs.	AD	
GRY	11/21/08	Work on closing documents. (3.7). Follow up on due diligence items. (2.9). Analyze tax issues. (.8).	7.40 hrs.	AD	
GRY	11/24/08	Analyze closing issues. (1.3). Address TIC issues relating to taxes. (4.6). Draft letters regarding closing issues. (1.4)	7.30 hrs.	AD	
GRY	11/25/08	Analyze tax issues in respect to closing (3.9). Draft letters regarding closing issues. (2.4). Coordinate closing document production. (2.0).	8.30 hrs.	AD	
GRY	11/26/08	Closing preparation in coordinating document review and signature. (4.8). Draft various closing documents. (2.9)	7.70 hrs.	AD	

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
GRY	11/28/08	Work on Closing documents. (4.8) Title clean up and review. (2.7)	7.50 hrs.	AD	
			TOTAL	68.60 hrs.	

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J.R. Taylor Associate

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JRT	11/10/08	Draft direct of Mr. Rothschild.	6.30 hrs.	BL	
		TOTAL	6.30 hrs.		

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K. Galvani Associate

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KG	11/25/08	Conference with Mr. Yates re Carolina 7 termination agreement; draft termination agreement.	2.60 hrs.	AD	
KG	11/26/08	Conference with Mr. Yates re Five Star letter; review email communication re Five Star issues.	0.30 hrs.	AD	
		TOTAL	2.90 hrs.		

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P.L. Bednar                      Associate

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PLB	08/04/08	Correspondence with Steve Stradley (Sunwest) regarding GE's proposed receiver for North Carolina facilities within Carolina 7 pool; review affidavit from proposed receiver.	0.25 hrs.		
PLB	08/05/08	Telephone conversation with Andrew Sloniewsky regarding strategy for receivership opposition and bankruptcy petition filings for Carolina 7 facilities; telephone conversation with Andrew Sloniewsky regarding role of Alvarez & Marsal, for purposes of adding detail to Carolina 7 receivership opposition.	0.50 hrs.		
PLB	08/06/08	Telephone conversation with Andrew Sloniewsky regarding statement of representation and other court papers to be submitted with Carolina 7 receivership opposition; confer with Darryl Fisher (Sunwest) regarding updated affidavit to accompany receivership opposition; conference call with James Estes (Sunwest), Sarah Bruck (Sunwest), Scotta McFarland (Pachulski Stang), Beth Dassa (Pachulski), and Patricia Jeffries (Pachulski) regarding status of bankruptcy petition and schedule preparation; confer with Kristine Bernard (Sunwest) regarding court papers to be submitted to local counsel for North Carolina receivership opposition filing; review and make edits to motion for joint administration of bankruptcy cases; begin reviewing and making edits to Harder declaration to accompany Nashville bankruptcy petition; review bankruptcy DIP budgets for Carolina 7 locations.	1.25 hrs.		

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<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	08/07/08	Finish reviewing draft Harder bankruptcy declaration, and correspond with Jonathan Kim (Pachulski) regarding proposed edits; review frequently-asked-questions write-up for upcoming bankruptcy filings, and correspond with Jonathan Kim (Pachulski) regarding same; draft litigation summary regarding Carolina 7 facilities, and correspond with Sarah Bruck (Sunwest) regarding same.	1.00 hrs.		BL
PLB	08/08/08	Teleconference with James Estes (Sunwest), Sarah Bruck (Sunwest), Jonathan Kim (Pachulski), Scotta McFarland (Pachulski), Steve Quinlivan (Pachulski), and Paul Rundell (A&M) regarding status of bankruptcy petition and schedule preparation work; telephone call with Jonathan Kim (Pachulski) regarding strategy for upcoming bankruptcy petition work; review CBRE-bidder confidentiality agreements for Carolina 7 property sale and correspond with Mary Christian (CBRE) regarding same; review draft Carolina 7 bankruptcy petitions, and correspond with team regarding edits.	1.75 hrs.		
PLB	08/11/08	Teleconference with Sarah Bruck (Sunwest), Jonathan Kim (Pachulski), Scotta McFarland (Pachulski), and Shawn Quinlivan (Pachulski) regarding status of bankruptcy petition preparation;	0.25 hrs.		
PLB	08/12/08	Confer with Wally Gutzler (Sunwest) regarding Pachulski Stang retention letter for bankruptcy work, as well as proposed response to GE counsel regarding questions on review of draft Carolina 7 bankruptcy petition; review Pachulski retention letter for Carolina 7 bankruptcy work; confer with Shain Pearse (Sunwest) and Matt Marcos (A&M) regarding retainer amounts for Carolina 7 bankruptcy work; conference call with James Stang (Pachulski), Jonathan Kim (Pachulski), Scotta McFarland (Pachulski), Shawn Quinlivan (Pachulski), Sarah Bruck (Sunwest), and Paul Rundell (A&M) regarding Carolina 7 bankruptcy petition and schedule preparation status;	0.75 hrs.		

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PLB	08/14/08	Review marked-up confidentiality agreements for CBRE marketing of Carolina 7 properties' sale; compare names of TIC investors in Carolina 7 entities versus Nashville entity; correspondence with Jonathan Kim (Pachulski) regarding CBRE sale motion strategy, and confer with Greg Yates regarding same; make edits to Carolina 7 retention letter for sale-related work.	2.00 hrs.		
PLB	08/16/08	Telephone conversations with Greg Yates regarding GE carve-out agreement; review versions of GE carve-out agreement, and correspond with Jonathan Kim (Pachulski) regarding same; review guarantor reaffirmation agreement related to GE carve-out agreement; telephone conversations with James Estes (Sunwest) regarding coordination of reaffirmation signatures, and coordinate procurement of signatures.	1.50 hrs.		
PLB	08/17/08	Correspondence with Bobby Guy (Waller) regarding electronic and hard copy of petition package to be provided to Carolina 7 Debtors' attorney.	0.10 hrs.	CA	
PLB	08/17/08	Correspondence with Jonathan Kim (Pachulski) and Bobby Guy (Waller) regarding edits to Carolina 7 Debtors' mailing matrices.	0.20 hrs.	CA	
PLB	08/17/08	Review final version of Carolina 7 PropCo bankruptcy petitions.	0.80 hrs.	FF	
PLB	08/17/08	Correspondence with Jonathan Kim (Pachulski), Scotta McFarland (Pachulski), and Bobby Guy (Walller) regarding draft petitions.	0.10 hrs.	FF	
PLB	08/17/08	Telephone conversations with Darryl Fisher (Sunwest) and James Estes (Sunwest) regarding signature on guarantor reaffirmation agreement.	0.20 hrs.	FN	
PLB	08/17/08	Telephone conversation with Greg Yates regarding guarantor reaffirmation agreement.	0.10 hrs.	FN	

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PLB	11/03/08	Confer with Sarah Bruck (Sunwest) regarding Anderson deed of trust question (.1); conference call with Greg Yates, Andrew Sloniewsky, and Bobby Guy (Waller) regarding discovery strategy (.4); confer with Greg Yates regarding discovery strategy (.2); confer with Carrie Rasca (Sunwest) regarding 2006 property appraisals and 2008 GE default notice letter (.2); confer with Mike Deines (Sunwest) regarding deposition prep and production of documents (.1); confer with Sebastian Brown (Sunwest) regarding production of documents (.2); confer with Peter Hoffman (Sunwest) regarding IT aspects of documents production (.1); telephone conversations with Andrew Sloniewsky regarding status of document production (.4); telephone conversation with Andrew Sloniewsky regarding update on document gathering and production (.1); review documents to be produced to TIC Committee counsel (.6); correspondence with Andrew Sloniewsky regarding document production file (.1); begin drafting Michael Deines deposition prep outline (.8); confer with Sarah Bruck (Sunwest) regarding Anderson deed of trust language (.1).	3.40 hrs.	BL	
PLB	11/04/08	Continue drafting Deines deposition prep outline (2.3); prepare for tomorrow's deposition prep session with Michael Deines (.2); review TIC Committee's recently filed objection to Debtors' motion to dissolve TIC Committee (.3); confer with Mike Deines (Sunwest) regarding deposition prep (.1).	2.90 hrs.	BL	

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PLB	11/05/08	Confer with Greg Yates regarding strategy for reply brief regarding TIC Committee dissolution (.1); confer with Michael Deines (Sunwest) and Greg Yates regarding tomorrow's deposition (.1); confer with Jon Harder (Sunwest) and Greg Yates regarding 30(b)(6) witness for TIC Committee deposition (.2); confer with Darryl Fisher (Sunwest) and Greg Yates regarding 30(b)(6) witness for TIC Committee deposition (.1); begin drafting reply to TIC Committee's opposition to motion to dissolve TIC Committee (4.2); conference call with Paul Rundell (A&M), Jim Hunter (Pachulski), and Andrew Sloniewsky to prepare witness for 30(b)(6) deposition tomorrow (2.0); confer with Paul Rundell (A&M) regarding documents to prepare for tomorrow's 30(b)(6) deposition (.1); telephone conversation with Bobby Guy (Waller) regarding strategy for reply brief on motion to dissolve TIC Committee (.2); telephone calls with Andrew Sloniewsky regarding strategy for tomorrow's 30(b)(6) deposition (.2); revise 30(b)(6) deposition outline (.2); review 30(b)(6) deposition outline with Andrew Sloniewsky's revisions (.1); correspondence with Andrew Sloniewsky regarding deposition prep strategy (.1).	7.60 hrs.		BL
PLB	11/06/08	Finish drafting reply brief to oppositions to TIC Committee dissolution motion (2.6); research case law on Bankruptcy Rule 2007 interpretation and indemnification claims (1.2); attend 30(b)(6) deposition by telephone (2.2); confer with Greg Yates regarding today's deposition (.1); telephone conversation with Andrew Sloniewsky regarding today's deposition (.1); telephone conversation with Paul Rundell (A&M) regarding today's deposition (.1); telephone conversation with Andrew Sloniewsky regarding post-deposition work to be done (.2).	6.50 hrs.		BL

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PLB	11/07/08	Confer with Steve Gordon (Sunwest) regarding Carolina 7 occupancy rates (.1); review Carolina 7 occupancy data (.2); telephone conversation with Andrew Sloniewsky regarding Carolina 7 occupancy data (.2); confer with Dan Mahoney (Sunwest) regarding Carolina 7 financial statements (.1); review additional Carolina 7 financial statements (.1); teleconference with Mike Deines (Sunwest) and Andrew Sloniewsky regarding current financial and operational conditions of Carolina 7 properties (.2); confer with Barbara Jones (Sunwest) and Jessica Lindsay (Sunwest) regarding analysis of amounts contributed by principals and affiliates to Carolina 7 facilities (.2); correspondence with Jessica Lindsay (Sunwest) regarding analysis of amounts contributed by principals and affiliates to Carolina 7 facilities (.1); telephone conversation with Andrew Sloniewsky regarding payments to GE (.1); conference call with Andrew Sloniewsky and Shain Pearse (Sunwest) regarding payments to GE (.1); review 30(b)(6) deposition transcript and draft list of follow-up areas (1.2); telephone conversation with Andrew Sloniewsky regarding TIC subordination language (.1); correspondence with Paul Rundell (A&M) regarding amounts contributed by Sunwest principals and affiliates to Carolina 7 (.1).	2.80 hrs.		BL
PLB	11/08/08	Develop answers to questions from Paul Rundell (A&M) regarding 30(b)(6) testimony information, and correspond with Paul Rundell (A&M) regarding same (1.3); correspondence with Andrew Sloniewsky regarding last date of payment of secured loan (.1); correspondence with Fil Agusti regarding draft reply brief re: TIC Committee dissolution (.1).	1.50 hrs.		BL

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PLB	11/09/08	Make edits to draft reply brief re: TIC Committee dissolution, based on Fil Agusti's suggestions, and correspond with Ira Kharasch (Pachulski) and Bobby Guy (Waller) regarding same (.2); telephone conversation with Andrew Sloniewsky regarding Carolina 7 entity ownership (.1); telephone conversation with Andrew Sloniewsky regarding Carolina 7 entity ownership (.1).	0.40 hrs.		BL
PLB	11/10/08	Correspondence with Andrew Sloniewsky regarding purchase price of Carolina 7 properties (.3); telephone conversation with Andrew Sloniewsky regarding purchase price of Carolina 7 properties and preparations for Wednesday's hearing (.1); telephone conversation with Andrew Sloniewsky regarding deposition prep work to be done (.1); correspondence with Andrew Sloniewsky regarding documents requested by TIC Committee counsel (.2).	0.70 hrs.		BL
PLB	11/11/08	Review final version of reply brief regarding sale motion (.1); review draft Rothschild direct examination outline for Wednesday's hearing (.1); telephone conversation with Andrew Sloniewsky regarding overview of hearing prep work to be done today (.1); review GE deposition transcript (.9); telephone conversation with Andrew Sloniewsky regarding results from GE deposition transcript review (.1); correspondence with Fil Agusti regarding section of GE deposition transcript (.1); review documents produced by CBRE to TIC Committee counsel (1.4); correspondence with Andrew Sloniewsky regarding documents produced by CBRE to TIC Committee counsel (.2); correspondence with Fil Agusti regarding email produced by CBRE to TIC Committee counsel (.1).	3.10 hrs.		BL
			TOTAL	39.65 hrs.	

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Salem, Oregon 97302

Matter No: 017026.00002  
Invoice Date: December 5, 2008  
Invoice No: 2282968  
Page No. 18

J.M. Theodore                      Associate

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
JMT	11/21/08	Meet with F. Agusti re stay motion; review case documents establishing facts; research 6th Circuit law on stay motions.	5.00 hrs.	AD	
JMT	11/22/08	Research stay opposition.	2.25 hrs.	AD	
JMT	11/23/08	Research and draft opposition to motion for emergency stay pending appeal.	8.25 hrs.	AD	
JMT	11/24/08	Review Agusti edits to opposition to motion for an emergency stay.	0.25 hrs.	AD	
		TOTAL	15.75 hrs.		

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
PO Box 3006  
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Page No. 19

G. Gegenheimer Staff

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
GG	11/04/08	Build new Concordance database and image collection to contain contents of pst file for review; arrange for processing of pst file to tiff images by vendor; download data and images from vendor FTP site; import new documents to database; add tracking tags to new documents; import images to image collection; verify image links are accurate; re-index database; create and deliver shortcut for new database to requested reviewers; notify requester of status; run all specified review documents through production process to apply production bates number branding; burn production to CD; create copies of production for archival; generate CD labels and apply; notify requester of status and completion; burn additional documents to CD and create copies; arrange for delivery to requester.	2.00 hrs.		CA
			TOTAL		2.00 hrs.

Mr. Curtis Brody  
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 3723 Fairview Industrial Drive SE  
 PO Box 3006  
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Matter No: 017026.00002  
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 Invoice No: 2282968

For Services Through November 30, 2008

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
F. Agusti	29.70	610.00	18,117.00
G.R. Yates	68.60	500.00	34,300.00
A.J. Sloniewsky	54.80	500.00	27,400.00
J.R. Taylor	6.30	480.00	3,024.00
P.L. Bednar	39.65	395.00	15,661.75
K. Galvani	2.90	355.00	1,029.50
J.M. Theodore	15.75	315.00	4,961.25
G. Gegenheimer	2.00	180.00	360.00
Total	219.70		\$104,853.50
TOTAL FEES			\$104,853.50

<u>Expenses</u>		
Air Fare		959.75
Overnight Messenger		12.43
Duplicating		112.20
Facsimile		56.35
Hotel		563.95
On-Line Research/Information Retrieval		1,058.63
Postage		15.18
Taxis		142.54
Long Distance Telephone		53.08
Meals While on Travel		112.70
TOTAL EXPENSES		\$3,086.81

TOTAL DUE FOR THIS MATTER \$107,940.31

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Please send remittance to:	Steptoe & Johnson LLP Accounting Department 1330 Connecticut Avenue, NW Washington, D.C. 20036-1795	Wiring Instructions: <b>Bank:</b> Wachovia Bank of Washington, D.C. <b>ABA#:</b> 054001220 <b>Beneficiary's Account #:</b> 2000033223276 <b>Swift Code --</b> PNBP US 33 <b>Beneficiary's Name:</b> Steptoe & Johnson LLP
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Tax I.D. Number 52-1349790

Mr. Curtis Brody  
Chief Financial Officer  
Sunwest Management, Inc.  
3723 Fairview Industrial Drive SE  
PO Box 3006  
Salem, Oregon 97302

1330 Connecticut Avenue NW  
Washington, DC 20036-1795  
Telephone 202429.3000  
Facsimile 202429.3902  
[www.steproe.com](http://www.steproe.com)

IN ACCOUNT WITH  
**STEP TOE & JOHNSON LLP**

December 15, 2008

**INVOICE**

Our Matter No. 017026.00004  
NASHVILLE SENIOR

Invoice No. 2282970

**For Professional Services Rendered November 1, 2008 Through November 30, 2008:**

**Fees:**

**Total Fees:** **\$0**

**Expenses:**

**Total Expenses:** **\$0**

**Allocation from "Bankruptcy General"\*\*: **\$47.40****

**Total Due for this Period: **\$47.40****

**Previous Balance: **\$1,503.36****

**Total Amount Due: **\$1,550.76****

**\*Allocation is determined as 1/10th of current affiliated cases, based on work that is related to all filed bankruptcy cases from 8/19/08 forward.**

Tax I.D. Number 52-1349790

Mr. Curtis Brody  
 Chief Financial Officer  
 Sunwest Management, Inc.  
 3723 Fairview Industrial Drive SE  
 PO Box 3006  
 Salem, Oregon 97302

Matter No: 017026.00004  
 Invoice Date: December 5, 2008  
 Invoice No: 2282970  
 Page No. 1

## BANKRUPTCY GENERAL

P.L. Bednar                      Associate

<u>Tmkpr</u>	<u>Date</u>	<u>Narrative</u>	<u>Time</u>	<u>Task Code</u>	<u>Actv Code</u>
PLB	11/03/08	Correspondence with Scotta McFarland (Pachulski) regarding question on PropCo-OpCo lease.	0.10 hrs.	BL	
PLB	11/04/08	Telephone conversation with Jonathan Kim (Pachulski) regarding strategy for motion to extend time to assume/reject Master Lease.	0.20 hrs.	BL	
PLB	11/05/08	Review draft motion to extend time to assume/reject master lease (.2); confer with Barbara Jones (Sunwest) and Jeremiah Toews (Sunwest) regarding status of lease payments (.1).	0.30 hrs.	BL	
PLB	11/07/08	Review draft motion to extend time to assume/reject lease with Nashville PropCo (.1); confer with Curtis Brody (Sunwest) regarding motion to extend time to assume/reject lease, and accompanying declaration (.2); correspondence with Scotta McFarland (Pachulski) regarding motion to extend time to assume/reject lease (.1); correspondence with Curtis Brody (Sunwest) regarding affidavit language for motion to extend time assume/reject lease (.1).	0.50 hrs.	EC	
PLB	11/08/08	Correspondence with Scotta McFarland (Pachulski) and Jonathan Kim (Pachulski) regarding suggested language in declaration and motion re: extension of time to assume/reject Nashville lease.	0.10 hrs.	EC	
		TOTAL	1.20 hrs.		

Mr. Curtis Brody  
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Matter No: 017026.00004  
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Invoice No: 2282970

For Services Through November 30, 2008

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
P.L. Bednar	1.20	395.00	474.00
Total	1.20		\$474.00
TOTAL FEES			\$474.00
TOTAL EXPENSES			\$0.00
TOTAL DUE FOR THIS MATTER			\$474.00

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Please send remittance to: Steptoe & Johnson LLP  
Accounting Department  
1330 Connecticut Avenue, NW  
Washington, D.C. 20036-1795

Wiring Instructions:  
Bank: Wachovia Bank of Washington, D.C.  
ABA#: 054001220  
Beneficiary's Account #: 2000033223276  
Swift Code -- PNBP US 33  
Beneficiary's Name: Steptoe & Johnson LLP

Tax I.D. Number 52-1349790